

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission's own motion,)
to consider changes in the rates of all of the)
following Michigan rate-regulated electric,)
steam, and natural gas utilities to reflect the effects)
of the federal Tax Cuts and Jobs Act of 2017:)
ALPENA POWER COMPANY, CONSUMERS)
ENERGY COMPANY, DETROIT THERMAL, LLC,)
DTE ELECTRIC COMPANY, DTE GAS COMPANY,)
INDIANA MICHIGAN POWER COMPANY,)
NORTHERN STATES POWER COMPANY-)
WISCONSIN, UPPER PENINSULA POWER)
COMPANY, UPPER MICHIGAN ENERGY)
RESOURCES CORPORATION,)
WISCONSIN ELECTRIC POWER COMPANY,)
PRESQUE ISLE ELECTRIC & GAS CO-OP,)
MICHIGAN GAS UTILITIES CORPORATION, and)
SEMCO ENERGY GAS COMPANY.)
_____)

Case No. U-18494

At the February 22, 2018 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Sally A. Talberg, Chairman
Hon. Norman J. Saari, Commissioner
Hon. Rachael A. Eubanks, Commissioner

ORDER

On December 22, 2017, the Tax Cuts and Jobs Act of 2017, Pub. L. No. 115-97, 131 Stat.
2054 (TCJA) was signed into law. The TCJA contains provisions reducing the corporate tax rate
and revising the federal tax structure. These new federal requirements affect the current tax

expense and deferred tax accounting methods used by corporations, including utilities. Most of the provisions of the TCJA went into effect on January 1, 2018.

To ensure that all utilities account for these changes in a similar manner, on December 27, 2017, the Commission issued an order in this docket directing the captioned utilities to, beginning January 1, 2018, institute regulatory accounting treatment for any impacts of the new law including current and deferred tax impacts. The Commission also directed the 13 captioned utilities to file, no later than January 19, 2018, information detailing the calculation of the change in revenue requirements with and without the TCJA effective January 1, 2018, and outlining the preferred method to flow the benefits of those impacts to ratepayers. Interested persons were invited to file reply comments in this docket no later than February 2, 2018.

On January 19, 2018, all 13 utilities filed comments. On February 2, 2018, reply comments were filed by Citizens Against Rate Excess (CARE); International Transmission Company, d/b/a *ITCTransmission*, and Michigan Electric Transmission Company, LLC (together, ITC/METC); Energy Michigan, Inc. (Energy Michigan); the Commission Staff (Staff); the Michigan Department of the Attorney General (Attorney General); the Association of Businesses Advocating Tariff Equity (ABATE); and the Residential Customer Group (RCG).¹

¹ On January 26, 2018, RCG filed a petition to intervene and a motion for rehearing and clarification. On February 2, 2018, the Staff filed a response in opposition to the motion for rehearing. On February 16, 2018, Indiana Michigan Power Company filed a response in opposition to the motion, and Consumers Energy Company filed a response in opposition to the petition and the motion. This is an uncontested docket in which all interested persons were invited to submit comments. Thus, the petition to intervene is both inapplicable and unnecessary, and is denied. Mich Admin Code, R 792.10410 and 792.10412. Further, the Commission notes that most of the issues raised by RCG's motion are now moot, as they are addressed in this order. That said, the Commission also finds that the motion fails to meet the standards of Mich Admin Code, R 792.10437, which provides that a petition for rehearing, to be granted, must be based on claims of error, newly discovered evidence, facts or circumstances arising after the hearing, or unintended consequences resulting from compliance with the relevant order. RCG makes no showing with regard to these standards and the motion for rehearing and clarification is also denied.

Comments

The Commission begins by noting that, in their comments, all 13 utilities indicate timely compliance with the regulatory accounting directive.

SEMCO Energy Gas Company (SEMCO) estimates a reduction in its revenue requirement of \$5.9 million and a one-time reduction to its deferred tax balance of \$46.8 million as a result of the reduced federal tax rate. SEMCO proposes to file two separate rate proceedings. The first would be an expedited case to address the impact of the new tax rate on revenue requirements and would establish new rates that would remain in effect until its next rate case. The second would address the manner and timing of returning the one-time benefits associated with deferred taxes and regulatory assets, and the rate impact would not be incorporated into rates until the next rate case.

Upper Peninsula Power Company (UPPCo) estimates a reduction in its revenue requirement of \$3.8 million and a one-time reduction to its deferred tax balance of \$4.6 million as a result of the reduced federal tax rate. UPPCo acknowledges the precedent affirming the Commission's ability to hold a single-issue rate case to address the impact of new federal tax rates, but reminds the Commission that rates may not be confiscatory. UPPCo proposes to address the changes to rates resulting from the TCJA in its next general rate case, arguing that a single-issue tax case would be challenging for the company. UPPCo states that it may file a rate case in the third quarter of 2018. UPPCo suggests that the savings from the reduced tax rate be reinvested in advanced metering infrastructure.

Wisconsin Electric Power Company (WEPCo) notes that it has only one retail electric service customer, Tilden Mining Company L.C. (Tilden), and states that paragraph 10 of WEPCo and Tilden's Large Curtailable Special Contract (Contract) addresses tax law changes that may occur during the term of the Contract. Thus, WEPCo argues, there is no need to open a tax proceeding

for WEPCo. WEPCo states that it has not yet determined the effect of the new law on the Contract rates or on its deferred taxes.²

Upper Michigan Energy Resources Corporation (UMERC) estimates a reduction in its revenue requirement of \$1.9 million (\$30,000 related to gas service) and a one-time reduction to its deferred tax balance of \$13 million as a result of the reduced federal tax rate. UMERG argues that the full impact of the new tax law should be addressed in UMERG's next rate case. UMERG does not indicate when it will make that filing, but it may be 2020.

Michigan Gas Utilities Corporation (MGUC) estimates a reduction in its revenue requirement of \$1.7 million and an annual reduction to its deferred tax balance of \$500,000 to \$900,000 as a result of the reduced federal tax rate. MGUC argues that the full impact of the new tax law should be addressed in MGUC's next rate case. MGUC does not indicate when it will make that filing.

Northern States Power Company – Wisconsin (NSP-W) estimates a reduction in its total electric revenue requirement of \$625,000, and a reduction in its total gas revenue requirement of \$75,000 (these figures address current and deferred taxes) as a result of the reduced federal tax rate. NSP-W notes that, on November 17, 2017, it filed an application to increase its electric base rates in Case No. U-18462, and proposes that the impact of the TCJA be addressed in the pending rate case and any customer credit take effect with the final order in that case. On the gas side, NSP-W proposes a line item credit, to be in effect until its next rate case.

Indiana Michigan Power Company (I&M) notes that it has a pending rate case, Case No. U-18370, in which a final order is expected by April 12, 2018. I&M proposes that the Commission incorporate the tax change in the new base rates that will go into effect with that

² On February 20, 2018, WEPCo filed Supplemental Comments accompanied by a Memorandum of Understanding, and again argues that it need not be required to participate in further TCJA related proceedings.

order. I&M estimates a reduction to its revenue requirement of \$0.8 million, and a total reduction of \$15.7 million (including all impacts) as a result of the reduced federal tax rate. I&M includes several attachments showing updated information for cost categories that will be addressed in the rate case.

Detroit Thermal, LLC (Detroit Thermal) states that it is a pass-through entity that does not pay federal income tax, and does not record federal income tax expense or accumulated deferred federal income tax balances. Thus, Detroit Thermal observes, the new law has no direct impact on the company and there is no benefit to flow to ratepayers.

Alpena Power Company (Alpena) notes that its most recent rate case concluded with the November 21, 2017 order in Case No. U-18324, and new rates went into effect on January 1, 2018. Alpena proposes to recalculate its new rates to reflect the tax change. Alpena estimates that the change will reduce its revenue requirement by about \$122,400. Alpena indicates that it is working on the analysis of deferred tax cost, and proposes “one permanent change to its new rates and several monthly negative surcharges on its’ [sic] customers’ remaining 2018 bills.” Alpena’s comments, p. 5.

Presque Isle Electric & Gas Co-Op (Presque Isle) states that the TCJA has no impact on its ratemaking, because it is a member-owned non-profit cooperative and sets its rates using a Times Interest Earned Ratio (TIER) mechanism. Presque Isle proposes no changes to rates.

DTE Electric Company (DTE Electric) estimates a reduction in its revenue requirement of \$148 million and a one-time reduction to its deferred tax balance of \$1.4 billion as a result of the reduced federal tax rate. DTE Gas Company (DTE Gas) (together DTE) estimates a reduction in its revenue requirement of \$38 million and a one-time reduction to its deferred tax balance of \$300 million as a result of the new law. DTE Electric has a pending rate case, Case No. U-18255, and

proposes that the impact of the TCJA be addressed in that case. DTE Electric requests that the Commission provide two sets of rates with the final order that must issue by April 18, 2018, which will reflect the fact that the test period includes periods under both the old and new federal tax rates. DTE Electric proposes adjustments to the revenue requirement and the revenue multiplier that would be reflected in new rates as of May 1, 2018. DTE Electric suggests that deferred tax balances be addressed in a separate contested case filed within 180 days, or in the next general rate case, whichever filing comes first. DTE Gas states that it has a pending rate case from which new rates will go into effect in October 2018, and proposes that the impacts of the tax law change be addressed in that proceeding, where the record remains open.

Consumers Energy Company (Consumers) estimates a revenue reduction of \$120 million for its electric utility business and \$52 million for its gas utility business, and a one-time reduction to its total deferred tax balance of \$1.5 billion, as a result of the federal tax reduction. Consumers has a pending electric rate case in which a final order is due on March 30, 2018, and proposes that the tax law change not be addressed in the rates set by that order. Consumers proposes a separate proceeding be used to address deferred tax balances, and “A negative bill surcharge should temporarily be put in place to reflect the revenue requirements impacts of all tax law changes other than Excess Deferred Taxes; and . . . continue until base rates are reset to reflect the tax law changes.” Consumers’ comments, p. 6. Consumers requests more time to accurately calculate the rate impacts.

Reply Comments

RCG argues that the December 27, 2017 order was inadequate to protect ratepayers, and seeks immediate rate reductions. RCG describes the utilities’ filings as “vague and vacuous” and “totally lacking in any reasonable utility offers of quick settlements.” RCG’s reply, p. 4. RCG

urges the Commission to issue immediate orders reducing rates, and expresses concern that, “by default or inaction or incompetence,” the Commission will present the utilities with a windfall gain that is never recognized. *Id.*, p. 9.

ABATE notes that there are several options for returning the benefits of the new law to ratepayers, but argues in favor of customer refunds and lower rates, implemented as soon as possible. ABATE describes the utilities’ filings as inadequate and proposes that the Commission order an investigation into each utility’s cost of service and open contested case proceedings.

Energy Michigan argues that refunds associated with rate impacts from the TCJA should be divided into a distribution portion and a power supply portion, and that the Commission should direct utilities to investigate and report on how much of present deferred taxes were contributed by customers who used to be full-service customers and are now choice customers. Energy Michigan states that it supports DTE’s proposal to address the changes in the pending rate cases, and argues that Consumers’ proposal is overly time-consuming and fails to account for the effect of the tax law change on distribution.

ITC/METC state that they are currently working with the Midcontinent Independent System Operator, Inc. (MISO) on a process for passing the tax law changes on to customers.

CARE objects to UPPCo’s proposal on grounds that it offers nothing concrete, and urges the Commission to provide immediate rate relief to UPPCo’s customers.

The Attorney General recommends that the Commission order refunds to customers as quickly as possible “while still complying with tax normalization rules.” Attorney General’s reply, p. 2. The Attorney General proposes refunds (not including deferred taxes) in the second quarter of 2018 over a period of 12-24 months, to be self-implemented by the utilities and subject to revision after later review and approval by the Commission in individual contested cases. The Attorney

General suggests that the refund should be a separate line item and credited on a volumetric basis. The Attorney General proposes that utilities be directed to file contested cases with testimony and exhibits no later than April 30, 2018, and those cases should address both the current tax refund and the deferred tax balance.

The Staff proposes three guiding principles for the Commission to follow: “(1) allowing sufficient time for the utilities to calculate customer impacts accurately, (2) ensuring that the benefits inure to ratepayers as quickly as is practicable, and (3) measuring the tax changes to avoid accounting pitfalls, such as unnecessary complexity, large annual rate fluctuations for ratepayers, penalty interest, and cash flow volatility for investors.” Staff’s reply, p. 2. The Staff proposes a three-step approach to addressing the tax law change – Credit A, Credit B, and Calculation C.

Credit A is the going-forward tax credit, that would be determined in a contested case pursuant to an application filed by each utility no later than March 30, 2018, with the exception of Consumers, I&M, and DTE Electric. The Staff proposes that those three utilities file the Credit A application within 30 days after issuance of the final order in their pending rate cases. The Staff notes that this credit may be determined with or without a pending rate case, and states that this credit will provide ratepayers with 66-75% of the benefit of the tax reduction. The Staff suggests that Alpena’s Credit A could be calculated without a contested case.

Credit B is the backward-looking tax credit addressing the period of January 1, 2018, to the date that Credit A is implemented, but is otherwise identical to Credit A. Credit B would be determined in a second contested case pursuant to an application filed by each utility within 60 days after the order establishing Credit A.

Calculation C would capture all remaining impacts of the tax law change in a contested case pursuant to an application filed by each utility no later than October 1, 2018, and would address

excess deferred taxes, bonus depreciation, and any other impacts not captured through Credits A and B. This proceeding would determine the method for flowing these benefits back to ratepayers.

The Staff then goes on to address the filings of individual utilities. The Staff opposes UMERC's and MGUC's proposals to wait until their next general rate cases are concluded as untimely.

The Staff argues that DTE Electric's proposal is unnecessarily complex, noting that the record in the rate case is long-closed, and that accuracy is key. The Staff opposes recognition of the tax change in Case No. U-18255 due to the effect on the self-implementation reconciliation and the possibility of penalty interest attaching to refunded amounts. The Staff observes that the Administrative Law Judge provided a calculation that could become Credit A, and argues that it should be applied only prospectively. The Staff recommends its three-step approach for both DTE Electric and DTE Gas outside of their pending rate cases. The Staff also recommends that I&M, Consumers, and NSP-W follow the three-step approach (despite their pending rate cases) in order to have sufficient time for a deliberative review.

The Staff recommends that UPPCo file for Credits A and B as proposed, and suggests that UPPCo may use its planned rate case filing for Calculation C. The Staff recommends that SEMCO make the three proposed filings.

The Staff notes that Detroit Thermal, WEPCo, and Presque Isle claim that there is no tax liability to address, and recommends that these utilities make a filing for a contested case by March 30, 2018, to determine these claims.

Finally, the Staff attaches a proposed timeline for the filings from the 15 total utilities (treating both NSP-W's and Consumers' gas and electric divisions separately). *See*, Staff's reply, Attachment A.

Discussion

The Commission's ability to engage in single-issue ratemaking in the area of tax reform has been affirmed by the courts. *Consumers Power Co v Public Service Comm*, 181 Mich App 261; 448 NW2d 806 (1989); *Consumers Power Co v Public Service Comm*, 65 Mich App 73, 76-77; 237 NW2d 189 (1975), *lv den*, 396 Mich 817 (1976). Thus, the Commission does not find it necessary to wait for a general rate case in order to incorporate the benefits of the TCJA into rates. Additionally, the Commission notes that all of the proceedings contemplated by this order involve reductions to base rates, not increases.

The Commission adopts the Staff's proposal. The Staff offers a plan for addressing the TCJA that ensures that all potential impacts will be dealt with in a timely and deliberate manner, and all ratepayers will be made whole with respect to each category of benefit accruing from the federal tax reduction. Thus, the captioned utilities shall file an application for determination of Credit A no later than March 30, 2018, with the exception of Consumers (electric), I&M, and DTE Electric. If the final order in the applicable pending rate case does not address the current tax impact, then Consumers (electric), I&M, and DTE Electric shall file the Credit A application within 30 days after issuance of the final order, or April 30, May 14, and May 18, 2018, respectively. All applications shall include a proposed Notice of Hearing.

Quick action on the Credit A applications will ensure that ratepayers begin to see the lion's share of the total benefit of the new law as soon as possible, consistent with reasonable and prudent ratemaking practices. Credit A should be relatively simple to calculate, and the Commission strongly encourages the parties to attempt settlement. With the goal of returning benefits to ratepayers as quickly as possible, the Commission will read the record in each Credit A matter (thus dispensing with the Proposal for Decision), and directs the assigned Administrative

Law Judges (ALJs) to set schedules that provide for the case to be transmitted to the Commission no later than June 15, 2018, allowing the Commission to issue a final order in each matter no later than June 30, 2018 – 90 days from the filing date – so that new rates may go into effect on July 1, 2018. The Commission directs the captioned utilities to serve their Credit A filing, with supporting testimony and exhibits, on all intervenors to the utility’s most-recent rate case on the same day that the application is filed with the Commission. The Commission further finds that it is appropriate for discovery to commence as soon as intervenor petitions are filed, with a seven calendar-day turnaround. This should move the proceedings along as expeditiously as possible.³ Due to the fact that its rates were only just reset, the Commission agrees with the Staff and finds that Alpena’s Credit A may be calculated without a contested case, and Alpena may seek *ex parte* approval of new rates.⁴

Credit B, addressing the period of January 1, 2018, to the date that Credit A is implemented, will be determined in a second contested case pursuant to an application filed by each utility within 60 days after issuance of the order establishing Credit A (or, in Alpena’s case, within 60 days after implementation of Credit A). Because Credit B is also a relatively simple calculation – made simpler by the fact that Credit A will already have been established – the Commission again encourages the parties to explore settlement. The Commission adopts the same expedited timeline and discovery practices adopted for Credit A. Applications for Credit B shall be simultaneously

³ If Credit A is not addressed in a final rate case order, this expedited schedule shall apply to the Consumers (electric), DTE Electric, and I&M Credit A applications as well.

⁴ The Commission is cognizant that this may result in the simultaneous filing of eleven contested Credit A cases (if all applications are filed on March 30) subject to the same expedited schedule. The details of the schedule are left to the discretion of the ALJs, who may decide to stagger the cases. Where possible, utilities are encouraged to file earlier than March 30, 2018.

served on all parties to the Credit A proceeding for the applicable utility. Credits A and B will address no deferred tax issues.

Calculation C will capture all remaining impacts of the tax law change in a contested case proceeding pursuant to an application filed by each captioned utility no later than October 1, 2018. This proceeding will determine all additional impacts and the method for flowing these benefits back to ratepayers, and shall not be subject to the shortened timeline. This is because of the increased complexity of the components involved in calculations related to excess deferred taxes and other items. The Commission agrees with the Staff and finds that any captioned utility that files a new rate case prior to October 1, 2018, may use the rate case for the determination of Calculation C.

The Commission agrees with the Staff's guiding principles, and seeks to strike a balance between the need to reflect the immediate benefit of the tax law change on customer bills and the need for accuracy, thoroughness, and opportunity for stakeholder input. While many of the utilities proposed fewer proceedings, the Commission believes that the Staff's three-step approach best achieves that balance by providing clear definitions for each proceeding and maximizing the ability of parties to participate in the determinations on each category of benefit. The Commission sees significant merit in separating the easier from the more difficult calculations in order to quickly deliver rate relief to customers in the forms of Credits A and B, while deferring the more difficult determinations in Calculation C to a proceeding without an expedited timeline. The Commission seeks, to the extent reasonable, uniformity with respect to the timeline of the benefits, and rejects the comments of UMER, UPPCo, and MGUC seeking to address these issues in some future rate case that has no definite filing date, and the comments of DTE Gas and NSP-W seeking to address these issues in a pending rate case with a final order date in September. Likewise, the

Commission finds that Detroit Thermal, WEPCo, and Presque Isle should make a filing no later than March 30, 2018, seeking, if not a Credit A determination, then a determination of their claim that Credits A and B are inapplicable.

While RCG, CARE, and the Attorney General appear to favor immediate rate relief subject to review in some later proceeding, the Commission finds that the approved expedited schedule will provide all parties with the due process protections and the need for accuracy so imperative to rate changes that will affect all customers of rate-regulated utilities across the state. Finally, regarding Energy Michigan's comments seeking an investigation of the number of former full-service customers who contributed to deferred taxes, the Commission notes that Energy Michigan fails to acknowledge the long line of Commission precedent rejecting historical refunds in various types of proceedings as far back as 1994. *In re Application of Consumers Energy Co*, 313 Mich App 175, 194; 881 NW2d 502 (2015); *Attorney General v Public Service Comm*, 215 Mich App 356, 361-369; 546 NW2d 266 (1996); May 10, 2011 order in Case No. U-16302, p. 8; December 21, 2010 order in Case No. U-16441, pp. 7-8; May 17, 2005 order in Case No. U-13990, pp. 21-22; and October 29, 2003 order in Case No. U-13622, pp. 11-14.

In addition to the base rate effects of the new tax rate that are addressed in Credit A, Credit B, and Calculation C, the TCJA also impacts various other non-base rate items, such as energy waste reduction, renewable energy, and the infrastructure recovery mechanism. The December 27, 2017 order required all regulated utilities to record regulatory assets and liabilities for all impacts of the TCJA, which includes base rate impacts and non-base rate impacts. The Commission finds that non-base rate impacts are unique and should be addressed separately from the base rate impacts addressed in the Credit A, Credit B, and Calculation C filings. The captioned utilities are directed to file comments on the effect of the TCJA on all non-base rate items, along with the estimated

dollar amount associated with each non-base rate impact, and recommendations as to how the benefits of the TCJA should flow back to ratepayers for each non-base rate item, no later than March 30, 2018. Any interested person may file reply comments no later than April 13, 2018.

THEREFORE, IT IS ORDERED that:

A. The captioned utilities shall file an application for determination of Credit A as described in this order, with supporting testimony and exhibits, no later than March 30, 2018, with the exception of Consumers Energy Company (Case No. U-18322), Indiana Michigan Power Company (Case No. U-18730), and DTE Electric Company (Case No. U-18255), who have pending rate cases, and Alpena Power Company. If the final order in the applicable pending rate case does not address the current tax impact, then Consumers Energy Company (electric), Indiana Michigan Power Company, and DTE Electric Company shall file the Credit A application within 30 days after issuance of the final order, or April 30, May 14, and May 18, 2018, respectively. Alpena Power Company may seek *ex parte* approval of Credit A. Assigned Administrative Law Judges shall set schedules allowing the Commission to issue a final order in each contested Credit A matter no later than June 30, 2018, with all briefing completed by June 15, 2018. All captioned utilities shall serve their Credit A application (or application to be relieved of Credit A), with supporting testimony and exhibits, on all intervenors to the utility's most-recent rate case on the same day that the application is filed with the Commission, and discovery shall commence for intervenors as soon as intervention petitions are filed, with a seven calendar-day turnaround. If filed, Credit A applications for Consumers Energy Company (electric), Indiana Michigan Power Company, and DTE Electric Company shall also be subject to a 90-day schedule that affords the Commission a minimum of two weeks to render a decision.

B. The captioned utilities shall file, within 60 days after the issuance of the order establishing Credit A (and, in Alpena Power Company's case, within 60 days after implementation of Credit A), an application, with supporting testimony and exhibits, for Credit B as described in this order, addressing the period of January 1, 2018, to the date that Credit A is implemented. The same expedited timeline and discovery practices described in ordering paragraph A shall apply to Credit B applications, which shall be simultaneously served on all parties to the Credit A proceeding for the applicable utility.

C. The captioned utilities shall file, no later than October 1, 2018, an application, with supporting testimony and exhibits, for Calculation C as described in this order, to capture all remaining impacts of the tax law change. Any captioned utility that files a new general rate case prior to October 1, 2018, may use that rate case for the determination of Calculation C, and the rate case application shall contain the supporting information.

D. Applications for Credits A and B shall be accompanied by base rate case exhibits similar to those included in the Case No. U-18238 filing requirements schedules A1 (revenue deficiency/sufficiency), B1 (rate base), C1 (operating income), C2 (revenue conversion factor), C8 (federal income tax), and D1 (cost of capital), and any other exhibits required to show the difference between the previously approved revenue requirement reflecting a 35% federal income tax expense and the new revenue requirement reflecting a 21% federal income tax expense. Applications for Credits A and B shall also be accompanied by two cost of service studies similar to base rate case schedule F1, one reflecting a 35% federal income tax expense, and one reflecting a 21% federal income tax expense. A proposed rate design and tariff sheets shall also be included with applications for Credits A and B.

E. The captioned utilities shall file, no later than March 30, 2018, comments on all of the non-base rate impacts of the Tax Cuts and Jobs Act of 2017, along with the estimated dollar amount associated with each non-base rate impact, and recommendations as to how the benefits of the new tax law should flow back to ratepayers for each non-base rate item. Interested persons may file, no later than April 13, 2018, reply comments on the non-base rate impacts of the new tax rate.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any person desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel. Electronic notifications should be sent to the Executive Secretary at mpscedockets@michigan.gov and to the Michigan Department of the Attorney General - Public Service Division at pungpl@michigan.gov. In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General - Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

Sally A. Talberg, Chairman

Norman J. Saari, Commissioner

Rachael A. Eubanks, Commissioner

By its action of February 22, 2018.

Kavita Kale, Executive Secretary